

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

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In re: :  
 : In Chapter 11  
CIRCUIT CITY STORES, INC., et al., :  
 : Bankruptcy No: 08-35653 (KRH)  
Debtors. :  
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**THE CITY OF PHILADELPHIA'S  
RESPONSE TO THE LIQUIDATING TRUST'S EIGHTEENTH OMNIBUS  
OBJECTION TO CLAIMS FILED BY TAXING AUTHORITIES**

The City of Philadelphia, (the "City"), by and through its counsel, James C. Vandermark, Assistant City Solicitor, hereby responds to the Liquidating Trust's Eighteenth Omnibus Objection to Claims filed by Taxing Authorities, The City avers the following in support thereof:

1. On November 10, 2008, Circuit City Stores, Inc. (the "Debtor") filed a voluntary petition for Chapter 11 bankruptcy.
2. On or about December 8, 2008, the City filed a proof of claim in the amount of \$8,563.88 (the "POC 1530") for unpaid taxes. A copy of POC 1530 is attached hereto as exhibit A.
3. On February 28, 2011, the Liquidating Trust filed its Eighteenth Omnibus Objection to Claims Filed by Taxing Authorities (the "Objection").
4. The Objection asserts the "Debtor's books and records reflect no liability" and requests that POC 1530 be expunged.
5. On November 17, 2014, the Liquidating Trust filed a Notice of Substantive Hearing (the "Notice") scheduling a hearing on the Objection for December 17, 2014.

6. The certificate of service attached to the Notice indicates a copy of the Notice was provided to “James.Vandermark@phila.gov”; however, a copy of the Notice was never received from the Liquidating Trust at this email address. A copy of the Notice is attached hereto as exhibit B.

7. On November 26, 2014, the Liquidating Trust filed its Memorandum of Points and Authorities in Support of Objections to Claims Set for Substantive Hearing on December 17, 2014 (the “Memorandum”).

8. The certificate of service attached to the Memorandum indicates a copy of the Memorandum was provided to “James.Vandermark@phila.gov”; however, a copy of the Memorandum was never received from the Liquidating Trust at this email address. A copy of the Memorandum is attached hereto as exhibit C.

9. The Memorandum asserts the Debtors have no liability for the taxes asserted in the POC 1530 and rather are owed by “the individuals who received the wages.”

10. Under the Philadelphia Code, the Debtor was required to collect Wage Withholding Taxes from employees, file annual Employer Wage Tax Returns, and remit to the City all Wage Withholding Taxes owed. See Phil. Code §§ 19-1502 and 19-1504.

11. The Debtor is liable for the full amount of the Wage Withholding Tax imposed by the Philadelphia Code for failing to collect the tax, truthfully accounting for and paying over such tax, or willfully attempting to evade or defeat any such tax. See Phil. Code § 19-1507.

12. In this case, the Debtor filed Employer Wage Tax Returns for years 2005-2009 which represent the Debtor’s obligations to collect and remit Wage Withholding

Taxes. A copy of the Employer Wage Tax Returns filed by the Debtor for years 2005-2009 are attached hereto as Exhibit D.

13. While the Debtor filed the required Wage Tax Returns, it did not remit the full amount owed to the City and thus, as of December 15, 2014, the records maintained by the City's Department of Revenue reflect the Wage Withholding Taxes owed amount to \$24,535.53. A summary of the Wage Withholding Taxes owed by the Debtor to the City are attached as Exhibit E.

WHEREFORE, the City respectfully requests that this Court DENY the relief sought by the Liquidating Trust through the Objection.

Respectfully submitted,

THE CITY OF PHILADELPHIA

Dated: December 15, 2014

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